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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 007226

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SUBJECT: BEIJING-BASED G-5 CHIEFS OF MISSION ON SARKOZY
VISIT, CHINA-JAPAN TALKS AT ASEAN, DALAI LAMA, JOURNALISTS'
RIGHTS, UK PM BROWN VISIT

Classified By: Deputy Chief of Mission Dan Piccuta. Reasons 1.4 (b/d).

Summary

1. (C) At the November 23 bi-weekly G-5 Chiefs of Mission gathering, French Ambassador Herve Ladsous reported that French President Nicholas Sarkozy will discuss with Chinese leaders the sale of two third-generation European Pressurized Reactor (EPR) nuclear reactors, an investment protection agreement, a product safety agreement and global financial imbalances during his November 25-27 visit. Japanese Ambassador Yuji Miyamoto said Prime Minister Yasuo Fukuda raised the East China Sea talks with Premier Wen Jiabao on the sidelines of the recent ASEAN Summit in Singapore. Miyamoto said China's new ambassador to Japan, Cui Tiankai, raised the recent visit of the Dalai Lama during his first meeting with PM Fukuda. Fukuda told Cui that "the best foreign policy on the Dalai Lama would be for China not to speak about him so much." German Ambassador Michael Schaefer said Germany's bilateral relationship with China has been "systematically sidelined" by the PRC because of Chancellor Angela Merkel's recent meeting with the Dalai Lama. Head of the Organizing Committee for the 2008 Olympic Games Liu Qi told visiting UK Olympics Minister Tessa Jowell that China "would not turn back the clock" on journalists' rights after the Games. End Summary.

Participants

2. (C) French Ambassador Herve Ladsous hosted Japanese Ambassador Yuji Miyamoto, German Ambassador Dr. Michael Schaefer, UK Ambassador William Ehrman and the DCM November 23 for the bi-weekly G-5 gathering of Beijing-based Chiefs of Mission.

French President Sarkozy's Visit to Beijing

3. (C) French Ambassador Herve Ladsous said President Sarkozy's first state visit to China will be "exceptional." Sarkozy is scheduled for small private dinners with both President Hu Jintao and Premier Wen Jiabao in addition to his formal meetings on November 26. He will also have a state lunch with National People's Congress Chairman Wu Bangguo. Sarkozy is expected to raise the sale of two third-generation EPR nuclear reactors, commercial contracts that will possibly include airplane sales, an investment protection agreement and a product safety agreement. Sarkozy will tell the PRC that it must tackle global issues such as imbalances in world

finance, trade and major currencies, said Ladsous. Sarkozy will call for more "harmonious" management of sovereign wealth funds. The French hope for a statement on climate change, though Ladsous reported that any statement would be general rather than specific, because the Chinese "cannot be moved" on the point.

14. (C) Seven Cabinet members including the Ministers of Finance, State, Justice and the Secretaries of State for Environment and Foreign Trade are accompanying President Sarkozy, along with approximately eighty journalists and seventy businesspeople including representatives from the European Aeronautical Defense and Space Company (EADS), Allstrom and Areva. Sarkozy is scheduled to give speeches at Tsinghua University on the environment and at an event

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co-sponsored by the French Chamber of Commerce that matches two hundred French and six hundred Chinese companies for introductions and networking. Sarkozy will visit Olympic sites in Beijing and meet the new Communist Party Secretary in Shanghai before returning to Paris on November 27.

Japanese Receive "Special" Treatment at ASEAN Summit

15. (C) Japanese Prime Minister Yasuo Fukuda and Premier Wen Jiabao met for thirty minutes and had an hour-long lunch on the sidelines of the ASEAN Summit in Singapore. Japanese Ambassador Yuji Miyamoto said that Fukuda was accorded "special" treatment and voiced concerns regarding a "need for progress" on the East China Sea oil exploration issue. Wen discussed President Hu's planned trip to Japan in the spring of 2008.

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Dalai Lama Causes Tensions for Japan, Germany

16. (C) China's new Ambassador to Japan Cui Tiankai raised the recent visit to Japan of the Dalai Lama during Cui's initial meeting with PM Fukuda. Ambassador Miyamoto said PM Fukuda pushed back, saying that "the best foreign policy on the Dalai Lama would be for China not to speak about him so much." German Ambassador Michael Schaefer said Germany's bilateral relationship with China had been "systematically sidelined" by the PRC because of Chancellor Angela Merkel's recent meeting with the Dalai Lama. Schaefer said China had postponed its strategic political dialogue with Germany and a visit by German Minister of Finance Peer Steinbrueck.

No PRC Reaction to Taiwan Presidential Candidates' Visits

17. (C) Ambassador Miyamoto said that there has been no PRC reaction to Taiwan KMT presidential candidate Ma Ying-jeou's visit to Japan, or to that of DPP candidate Frank Hsieh, which is scheduled for December.

UK Olympics Minister Presses on Journalists' Rights

18. (C) During a recent visit to Beijing, UK Olympics Minister Tessa Jowell pressed Beijing Communist Party Secretary and Head of the Organizing Committee for the 2008 Olympic Games Liu Qi on whether or not the new "relaxed" policies on journalists would continue after the conclusion of the Games, UK Ambassador William Ehrman said. Liu did not give an official response, but said informally that China "would not turn back the clock" on journalists after the Games.

Gordon Brown's Mid-January Visit Coming Together

19. (C) Ambassador Ehrman reported that plans for UK Prime

Minister Gordon Brown's January 2008 visit to China are "shaping up." Themes for the visit will include trade and investment, education, basic sciences cooperation and development, especially sustainable development. Ehrman hopes the trip will include visits to Beijing International Airport's yet-to-be-completed Terminal 3, designed by UK architect Norman Foster, and the National Stadium and National Aquatic Center Olympic venues in which UK engineers have participated. Brown will also travel to Shanghai, where he will meet the new Communist Party Secretary and be introduced to plans for the 2010 World Exposition.

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